

STATE OF SOUTH CAROLINA

(Caption of Case)

APPLICATION OF PIEDMONT NATURAL GAS
COMPANY, INC. FOR APPROVAL OF GCRM-121BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: GCRM 121

2006-401-G

(Please type or print)

Submitted by: Scott M. Tyler

SC Bar Number: 12037

Telephone: (704) 331-2463

Address: Moore & Van Allen PLLC

Fax: (704) 378-1963

100 North Tryon Street, Ste. 4700

Other:

Charlotte, NC 28202

Email: scotttyler@mvalaw.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition☐ Request for item to be placed on Commission's Agenda expeditiously☒ Other: Application for Approval of GCRM-121 Filing

INDUSTRY (Check one)

- ☐ Electric
☐ Electric/Gas
☐ Electric/Telecommunications
☐ Electric/Water
☐ Electric/Water/Telecom.
☐ Electric/Water/Sewer
☒ Gas
☐ Railroad
☐ Sewer
☐ Telecommunications
☐ Transportation
☐ Water
☐ Water/Sewer
☐ Administrative Matter
☐ Other: _____

NATURE OF ACTION (Check all that apply)

- | | | |
|--|--|--|
| <input type="checkbox"/> Affidavit | <input type="checkbox"/> Letter | <input type="checkbox"/> Request |
| <input type="checkbox"/> Agreement | <input type="checkbox"/> Memorandum | <input type="checkbox"/> Request for Certification |
| <input type="checkbox"/> Answer | <input type="checkbox"/> Motion | <input type="checkbox"/> Request for Investigation |
| <input type="checkbox"/> Appellate Review | <input type="checkbox"/> Objection | <input type="checkbox"/> Resale Agreement |
| <input checked="" type="checkbox"/> Application | <input type="checkbox"/> Petition | <input type="checkbox"/> Resale Amendment |
| <input type="checkbox"/> Brief | <input type="checkbox"/> Petition for Reconsideration | <input type="checkbox"/> Reservation Letter |
| <input type="checkbox"/> Certificate | <input type="checkbox"/> Petition for Rulemaking | <input type="checkbox"/> Response |
| <input type="checkbox"/> Comments | <input type="checkbox"/> Petition for Rule to Show Cause | <input type="checkbox"/> Response to Discovery |
| <input type="checkbox"/> Complaint | <input type="checkbox"/> Petition to Intervene | <input type="checkbox"/> Return to Petition |
| <input type="checkbox"/> Consent Order | <input type="checkbox"/> Petition to Intervene Out of Time | <input type="checkbox"/> Stipulation |
| <input type="checkbox"/> Discovery | <input type="checkbox"/> Prefiled Testimony | <input type="checkbox"/> Subpoena |
| <input type="checkbox"/> Exhibit | <input type="checkbox"/> Promotion | <input type="checkbox"/> Tariff |
| <input type="checkbox"/> Expedited Consideration | <input type="checkbox"/> Proposed Order | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Interconnection Agreement | <input type="checkbox"/> Protest | |
| <input type="checkbox"/> Interconnection Amendment | <input type="checkbox"/> Publisher's Affidavit | |
| <input type="checkbox"/> Late-Filed Exhibit | <input type="checkbox"/> Report | |

Print Form

Reset Form

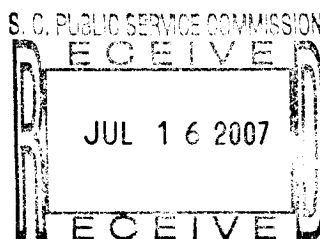
Moore & Van Allen**Scott M. Tyler**
Attorney at LawT 704 331 2463
F 704 378 1963
scotttyler@mvalaw.com

Moore & Van Allen PLLC

Suite 4700
100 North Tryon Street
Charlotte, NC 28202-4003

Also Admitted in SC

July 13, 2007

VIA UPS OVERNIGHTMr. Charles Terreni
Chief Clerk Administrator
The Public Service Commission of South Carolina
Synergy Business Park
101 Executive Center Drive
Columbia, South Carolina 29210

Re: GCRM-121, Docket No. (to be assigned)

Dear Mr. Terreni:

On behalf of Piedmont Natural Gas Company, Inc. ("Piedmont"), I have enclosed an original and 26 copies of various schedules constituting Piedmont's GCRM-121.

The rate changes reflected in this filing, as shown on the attached schedules, are necessary to update Piedmont's rates to reflect changes in Piedmont's wholesale costs of gas in light of the current status of Piedmont's deferred gas cost accounts. Specifically, the current benchmark cost of gas reflected in Piedmont's rates is \$7.50 per dekatherm. Closing wholesale futures contract prices for natural gas deliveries for the bulk of the winter 2007-2008 period, as reflected on the New York Mercantile Exchange, are presently in the range of \$8.35 to \$8.72 per dekatherm. Further, Piedmont is currently maintaining a negative (undercollected) balance in its deferred gas cost accounts relative to South Carolina customers. This means that the costs of gas incurred by Piedmont in order to serve South Carolina customers over the last year has exceeded the revenues collected from those customers for that purpose. Based on these two factors, Piedmont is at substantial risk of the serious undercollection of its wholesale gas costs in the near future if the benchmark cost of gas reflected in its rates is not increased as proposed herein. The relief requested herein will also ensure that the wholesale gas costs reflected in Piedmont's rates are reasonably consistent with the prevailing market price for natural gas and will thereby avoid the creation of artificial market signals/incentives to parties who utilize this commodity for fuel or process purposes.

The rate change proposed by this filing is an increase of \$0.10216/therm for sales rate schedules (201, 202, 221, 232, 242, 252, 262, 203 and 204) and an increase of \$0.00126/therm for transportation rate schedules (213 and 214). Piedmont hereby requests approval of this GCRM filing in time to implement these rate changes effective August 1, 2007.

JS Please accept the original and 26 copies of these materials for filing and return the additional "filed" stamped copy to me in the enclosed self-addressed stamped envelope.

Mr. Charles Terreni
July 13, 2007
Page 2

If you have any questions regarding this matter, you may reach me at the number shown above.

Sincerely,

Moore & Van Allen, PLLC

A handwritten signature in black ink, appearing to read "Scott M. Tyler". The signature is fluid and cursive, with the first name "Scott" being more prominent.

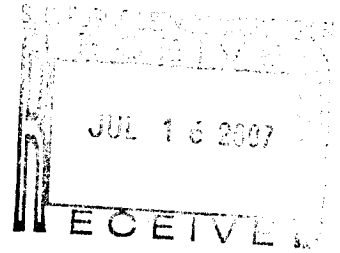
Scott M. Tyler

Enclosures

c: Mr. David Carpenter
Mr. Jim Jeffries
Office of Regulatory Staff (5 copies via overnight delivery)

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

VERIFICATION



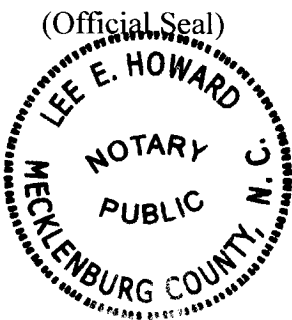
Pia Powers, being duly sworn, deposes and says that she is Manager – Regulatory Affairs of Piedmont Natural Gas Company, Inc., that as such, she has read the foregoing Petition and knows the contents thereof; that the same are true of her own knowledge except as to those matters stated on information and belief and as to those she believes them to be true.

Pia Powers
Pia Powers

Mecklenburg County, North Carolina
Signed and sworn to before me this day by Pia Powers.

Date: 7-12-07 Lee E. Howard

Lee Howard, Notary Public



My commission expires: MY COMMISSION EXPIRES 10-29-10

SOUTH CAROLINA RATES AND CHARGES

Residential

Residential Service - Value Rate 201

Monthly Charge -		Rate Per Therm -	
November - March	\$ 10.00	November - March	\$ 1.32732
April - October	\$ 8.00	April - October	\$ 1.27611

Residential Service - Standard Rate 221

Monthly Charge -		Rate Per Therm -	
November - March	\$ 10.00	November - March	\$ 1.50049
April - October	\$ 8.00	April - October	\$ 1.48709

Outdoor Gaslight Service - Rate 205

Monthly Charge -	\$ 15.00
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SOUTH CAROLINA RATES AND CHARGES

Commercial

Small General Service - Standard Rate 202

Monthly Charge -	\$ 22.00	Rate Per Therm -	
		November - March	\$ 1.40040
		April - October	\$ 1.36969

Small General Service - Value Rate 232

Monthly Charge -	\$ 22.00	Rate Per Therm -	
		November - March	First 2,000 \$ 1.34724
			Over 2,000 \$ 1.32077
		April - October	First 2,000 \$ 1.25810
			Over 2,000 \$ 1.23173

Medium General Service - Standard Rate 252

Monthly Charge -	\$ 75.00	Rate Per Therm -	
		November - March	\$ 1.39869
		April - October	\$ 1.35178

Medium General Service - Value Rate 262

Monthly Charge -	\$ 75.00	Rate Per Therm -	
		November - March	First 5,000 \$ 1.32126
			Over 5,000 \$ 1.28836
		April - October	First 5,000 \$ 1.23195
			Over 5,000 \$ 1.20911

Small General Service - Motor Fuel Rate 242

Monthly Charge -	\$ 22.00	Rate Per Therm -	
		November - March	\$ 1.07683
		April - October	\$ 1.07853

SOUTH CAROLINA RATES AND CHARGES

Industrial

Large General Sales Service - Rate 203

Monthly Charge -		\$	250.00
Demand Charge (monthly per peak day therm usage) -		\$	1.90000
Rate Per Therm -			
	<u>November - March</u>		<u>April - October</u>
First 15,000	\$ 1.10441	First 15,000	\$ 1.02980
Next 15,000	\$ 1.03988	Next 15,000	\$ 0.98344
Next 75,000	\$ 0.99053	Next 75,000	\$ 0.95648
Next 165,000	\$ 0.96050	Next 165,000	\$ 0.94193
Next 330,000	\$ 0.89693	Next 330,000	\$ 0.89193
Over 600,000	\$ 0.86836	Over 600,000	\$ 0.86836

Interruptible Sales Service - Rate 204

Monthly Charge -		\$	250.00
Rate Per Therm -			
	<u>November - March</u>		<u>April - October</u>
First 15,000	\$ 1.15575	First 15,000	\$ 1.03880
Next 15,000	\$ 1.09142	Next 15,000	\$ 0.99108
Next 75,000	\$ 1.03470	Next 75,000	\$ 0.95731
Next 165,000	\$ 0.99232	Next 165,000	\$ 0.93479
Next 330,000	\$ 0.95390	Next 330,000	\$ 0.90693
Over 600,000	\$ 0.90836	Over 600,000	\$ 0.87836

Large General Transportation Service - Rate 213

Monthly Charge -		\$	250.00
Demand Charge (monthly per peak day therm usage) -		\$	0.60000
Standby Sales Service Charge (monthly per peak day therm usage) -		\$	1.30000
Rate Per Therm -			
	<u>November - March</u>		<u>April - October</u>
First 15,000	\$ 0.25331	First 15,000	\$ 0.17870
Next 15,000	\$ 0.18780	Next 15,000	\$ 0.13187
Next 75,000	\$ 0.14108	Next 75,000	\$ 0.10355
Next 165,000	\$ 0.11050	Next 165,000	\$ 0.06803
Next 330,000	\$ 0.04693	Next 330,000	\$ 0.04193
Over 600,000	\$ 0.01836	Over 600,000	\$ 0.01836

Interruptible Transportation Service - Rate 214

Monthly Charge -		\$	250.00
Rate Per Therm -			
	<u>November - March</u>		<u>April - October</u>
First 15,000	\$ 0.25359	First 15,000	\$ 0.17913
Next 15,000	\$ 0.18804	Next 15,000	\$ 0.13230
Next 75,000	\$ 0.14106	Next 75,000	\$ 0.10385
Next 165,000	\$ 0.09400	Next 165,000	\$ 0.07531
Next 330,000	\$ 0.04699	Next 330,000	\$ 0.04179
Over 600,000	\$ 0.01836	Over 600,000	\$ 0.01836

SOUTH CAROLINA RATES AND CHARGES

Miscellaneous Fees And Charges

Schedule For Limiting And Curtailing Service - Rate 206

Emergency Service Rate Per Therm	\$ 1.00	In addition to commodity prices as defined in Rate Schedule 206, Rate For Emergency Service.
Unauthorized Over Run Penalty Per Therm	\$ 2.50	In addition to commodity prices as defined in Rate Schedule 206, Rate For Emergency Service.

Reconnect Fees

February Through August	\$ 40.00
September Through January	\$ 60.00

Returned Check Charge

Returned Check Charge	\$ 25.00
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Issued by Tom Skains, CEO & President
Issued to comply with the authority granted by
The Public Service Commission of South Carolina
GCRM 121

Issued: July 13, 2007
Effective: August 1, 2007

Piedmont Natural Gas Company, Inc.
South Carolina
Rate Schedules
GCRM - 121

		1/1/2007 GCRM-120 <u>Rates</u>	<u>Change</u>	8/1/2007 GCRM-121 <u>Rates</u>
221	Residential Service - Standard			
	Facilities Charge-winter	10.00		10.00
	Facilities Charge-summer	8.00		8.00
	Winter (Nov.-Mar.)	1.39833	0.10216	1.50049
	Summer (Apr.-Oct.)	1.38493	0.10216	1.48709
201	Residential Service - Value			
	Facilities Charge-winter	10.00		10.00
	Facilities Charge-summer	8.00		8.00
	Winter (Nov.-Mar.)	1.22516	0.10216	1.32732
	Summer (Apr.-Oct.)	1.17395	0.10216	1.27611
202	Small General Service-Standard			
	Facilities Charge	22.00		22.00
	Winter (Nov.-Mar.)	1.29824	0.10216	1.40040
	Summer (Apr.-Oct.)	1.26753	0.10216	1.36969
232	Small General Service-Value			
	Facilities Charge	22.00		22.00
	Winter (Nov.-Mar.)			
	First 2,000	1.24508	0.10216	1.34724
	Over 2,000	1.21861	0.10216	1.32077
	Summer (Apr.-Oct.)			
	First 2,000	1.15594	0.10216	1.25810
	Over 2,000	1.12957	0.10216	1.23173
252	Medium General Service-Standard			
	Facilities Charge	75.00		75.00
	Winter (Nov.-Mar.)	1.29653	0.10216	1.39869
	Summer (Apr.-Oct.)	1.24962	0.10216	1.35178
262	Medium General Service-Value			
	Facilities Charge	75.00		75.00
	Winter (Nov.-Mar.)			
	First 5,000	1.21910	0.10216	1.32126
	Over 5,000	1.18620	0.10216	1.28836
	Summer (Apr.-Oct.)			
	First 5,000	1.12979	0.10216	1.23195
	Over 5,000	1.10695	0.10216	1.20911
242	Small General Service-Motor Fuel			
	Facilities Charge	22.00		22.00
	Winter (Nov.-Mar.)	0.97467	0.10216	1.07683
	Summer (Apr.-Oct.)	0.97637	0.10216	1.07853

Piedmont Natural Gas Company, Inc.
South Carolina
Rate Schedules
GCRM - 121

		1/1/2007 GCRM-120 <u>Rates</u>	<u>Change</u>	8/1/2007 GCRM-121 <u>Rates</u>
203	Large General Sales Service			
	Facilities Charge	250.00		250.00
	Billing Demand	19.00000		19.00000
	Winter (Nov.-Mar.)			
	First 15,000	1.00225	0.10216	1.10441
	Next 15,000	0.93772	0.10216	1.03988
	Next 75,000	0.88837	0.10216	0.99053
	Next 165,000	0.85834	0.10216	0.96050
	Next 330,000	0.79477	0.10216	0.89693
	Over 600,000	0.76620	0.10216	0.86836
	Summer (Apr.-Oct.)			
	First 15,000	0.92764	0.10216	1.02980
	Next 15,000	0.88128	0.10216	0.98344
	Next 75,000	0.85432	0.10216	0.95648
	Next 165,000	0.83977	0.10216	0.94193
	Next 330,000	0.78977	0.10216	0.89193
	Over 600,000	0.76620	0.10216	0.86836
204	Interruptible Sales Service			
	Facilities Charge	250.00		250.00
	Winter (Nov.-Mar.)			
	First 15,000	1.05359	0.10216	1.15575
	Next 15,000	0.98926	0.10216	1.09142
	Next 75,000	0.93254	0.10216	1.03470
	Next 165,000	0.89016	0.10216	0.99232
	Next 330,000	0.85174	0.10216	0.95390
	Over 600,000	0.80620	0.10216	0.90836
	Summer (Apr.-Oct.)			
	First 15,000	0.93664	0.10216	1.03880
	Next 15,000	0.88892	0.10216	0.99108
	Next 75,000	0.85515	0.10216	0.95731
	Next 165,000	0.83263	0.10216	0.93479
	Next 330,000	0.80477	0.10216	0.90693
	Over 600,000	0.77620	0.10216	0.87836

Piedmont Natural Gas Company, Inc.
South Carolina
Rate Schedules
GCRM - 121

		1/1/2007 GCRM-120 <u>Rates</u>	<u>Change</u>	8/1/2007 GCRM-121 <u>Rates</u>
213	Large General Transportation Service			
	Facilities Charge	250.00		250.00
	Standby Demand	13.00000		13.00000
	Billing Demand	6.00000		6.00000
	Winter (Nov.-Mar.)			
	First 15,000	0.25115	0.00216	0.25331
	Next 15,000	0.18564	0.00216	0.18780
	Next 75,000	0.13892	0.00216	0.14108
	Next 165,000	0.10834	0.00216	0.11050
	Next 330,000	0.04477	0.00216	0.04693
	Over 600,000	0.01620	0.00216	0.01836
	Summer (Apr.-Oct.)			
	First 15,000	0.17654	0.00216	0.17870
	Next 15,000	0.12971	0.00216	0.13187
	Next 75,000	0.10139	0.00216	0.10355
	Next 165,000	0.06587	0.00216	0.06803
	Next 330,000	0.03977	0.00216	0.04193
	Over 600,000	0.01620	0.00216	0.01836
214	Interruptible Transportation Service			
	Facilities Charge	250.00		250.00
	Winter (Nov.-Mar.)			
	First 15,000	0.25143	0.00216	0.25359
	Next 15,000	0.18588	0.00216	0.18804
	Next 75,000	0.13890	0.00216	0.14106
	Next 165,000	0.09184	0.00216	0.09400
	Next 330,000	0.04483	0.00216	0.04699
	Over 600,000	0.01620	0.00216	0.01836
	Summer (Apr.-Oct.)			
	First 15,000	0.17697	0.00216	0.17913
	Next 15,000	0.13014	0.00216	0.13230
	Next 75,000	0.10169	0.00216	0.10385
	Next 165,000	0.07315	0.00216	0.07531
	Next 330,000	0.03963	0.00216	0.04179
	Over 600,000	0.01620	0.00216	0.01836

Piedmont Natural Gas Company
South Carolina
Commodity Cost of Gas Calculation

	Docket 2005-125-G <u>DT's</u>	Increase (Decrease) <u>in Rate</u>	<u>Total</u>
Sales	14,621,772	\$ 1.00	\$ 14,621,772
Transportation	5,788,888		
Total Throughput	20,410,660		
LAUF %	2.16%		
Company Use & Lost And Unacct For	440,870	\$ 1.00	\$ 440,870
Total Throughput			20,410,660
Calculated Rate - LAUF			\$ 0.0216
Sales Commodity Rate Adjustment			\$ 1.0216
Transportation Commodity Rate Adjustment			\$ 0.0216
Effective Benchmark			\$ 8.50